

Analysis of Correction To Income for Benjamin Ladner

FINAL

Tax Year 2005 Additional Imputed Income

	Imputed Income	Employee Medicare Tax 1.45%	Federal Tax 25%	DC Tax 9%	Employer Medicare Tax 1.45%
CY2005 Imputed Income	\$86,018.92				
House rent value \$13,500/mo (10/24/05 - 1/24/06)	\$40,500.00				
10% BL car (5/1/05 - 8/24/05)	\$179.00				
100% BL car (8/25/05 - 1/24/06)	\$2,688.00				
100% NL car lease (5/1/05 - last pmt)	\$0.00				
2005 life insurance premium	\$103,000.00				
	<u>\$232,385.92</u>	<u>\$3,369.60</u>	<u>\$58,096.48</u>	<u>\$20,914.73</u>	<u>\$3,369.60</u>
Total Taxes to Collect from Ladner				<u>\$82,380.81</u>	

October 2005 Pay (10/1/05 - 10/24/05)

Gross		\$31,745.92
Taxes	Federal Tax	(\$8,207.95)
	Medicare Tax	(\$454.72)
	D.C. Tax	(\$2,650.75)
Deductions	BCBS Medical	(329.07)
	BCBS Dental	(56.63)
	Optional Life Insurance	(405.00)
	AD&D	(12.50)
	LTD	(43.77)
	457(b)	(1,166.67)
	Fidelity	0.00
October Net Pay (10/1/05 - 10/24/05)		<u>18,418.86</u>
CY02-4 Federal Taxes Deducted from Oct Pay		<u>(18,418.86)</u>
		0.00

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## Settlement Fee

	950,000.00	
Federal Tax @25%	(237,500.00)	
Medicare Tax @1.45%	(13,775.00)	13,775.00 ER Tax
D.C. Tax (rate table)	(84,750.00)	
Subtotal	<u>613,975.00</u>	
CY02-5 (through 4/30/05) personal expenses & interest	(134,755.55)	
CY02-4 outstanding federal and local taxes	(104,510.70)	\$122,929.56 less \$18,418.86 (Oct pay) = \$104,510.70
CY02-4 possible federal tax interest	(12,292.96)	estimate of 10% of \$122,929.56 in an escrow account
CY02-4 D.C. interest	(6,590.17)	by OTR, 11/3/05
CY05 (5/1/05 - 10/24/05) personal expense	0.00	
CY05 (1/1/05 - 10/24/05) federal and local taxes on imputed income	(82,380.81)	
Split-Dollar Life Insurance Taxes	<u>(341,427.71)</u>	
<b>Remaining Balance</b>	<b><u>(67,982.89)</u></b>	

## Executive Deferred Compensation

	1,830,654.51	total
<b><i>Voluntary:</i></b>	57,379.19	
Federal Tax @25%	(14,344.79)	
D.C. Tax (rate table)	(4,414.13)	
	<u>38,620.27</u>	
<b><i>Supplemental and Deferred:</i></b>	1,773,275.32	
Federal Tax @25%	(443,318.83)	
Medicare Tax @1.45%	(25,712.49)	25,712.49 ER Tax
D.C. Tax (rate table)	(158,844.78)	
Subtotal	<u>1,145,399.22</u>	
Deficit from the settlement fee	(67,982.89)	
<b>Net Payment</b>	<b><u>1,116,036.59</u></b>	A to be issued by PNC

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**Split-Dollar Life Insurance Policy**

	963,124.71	B	Premiums paid:	\$1,214,000
			(incl. \$103K due 11/05)	
Federal Tax @25%	(240,781.18)		surrender value:	958,698.98
Medicare Tax @1.45%	(13,965.31)			
D.C. Tax @9%	(86,681.22)		13,965.31	ER Tax
Subtotal	(341,427.71)		deducted from the settlement fee	

<b>Total Net Payment</b>	<b>2,079,161.30</b>	<b>A + B</b>	<b>\$56,822.40</b>	<b>Total ER Tax</b>
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